



10 DOWNING STREET

PRIME MINISTER

see Dettle
letter of
4/2.

Another letter from
a private sector steel
company complaining about
unfair competition from B.S.C.
They have also written to
Sir Keith, but without - it
seems - a reply as yet.
Unless I find that he has
replied, I think we could
ask him to deal with this
one. Agree?

I will reply - and Doi
will put up a draft
reply by
Monday
R
m

6 February 1981

R. SIDAWAY

DUCTILE STEELS LTD.
PLANETARY ROAD,
WILLENHALL, WEST MIDLANDS
WV13 3SW
TELEPHONE WOLVERHAMPTON 732244

4 February 1981

The Prime Minister
The Rt Hon Mrs Margaret Thatcher, MP
10 Downing Street
LONDON

R5/2

Dear Mrs Thatcher,

On behalf of my company and the Private Sector of the Steel Industry I have gone through all the channels open to me with no apparent effect.

You, Prime Minister, are our last hope.

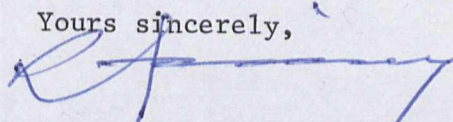
|| If you cannot do anything quickly to protect the Private Sector from the grossly unfair competition of the British Steel Corporation, backed by its billions of pounds of taxpayers money, there will be no Private Sector left in a matter of months. I cannot believe that this is what you want.

It is obvious now that Ian McGregor's policy is to obtain orders at any price and in so doing to kill off the Private Sector. We have plenty of evidence to prove this, some of which you will see from the attached copies of correspondence, but there is plenty more if you wish to see it.

I understand that Edward Du Cann, Chairman of Hadfields - another Private Sector company hard hit by unfair competition - will confirm to you what I am writing.

I do hope you can do something quickly as it appears that no one else can.

Yours sincerely,



23 December 1980

The Rt Hon Sir Keith Joseph, Bt MP
Secretary of State for Industry
Department of Industry
Ashdown House
123 Victoria Street
LONDON SW1E 6RB

Dear Sir Keith,

High Unfair Energy Charges

Perhaps you will refer to the discussion the members of MIAC had with you in the House of Commons way back on 9th July and at your request the information on this subject, which was sent to you by Eric Sayers.

All we told you in July has since been proved correct to you and the Government.

Big users of energy such as my company are being charged far more than its competitors abroad. When are you going to act before it is too late? At least one year has now passed and I can see no action by the Government.

PRIVATE SECTOR STEEL - Manufacturers unfair
Competition from the British Steel Corporation

From all I have read, you and the Government want a strong profitable, competitive Private Sector to remain in business when the depression lifts - of course you do.

Ductile Steels is one of these companies as you can easily verify if you check our record.

cont/d.....

We have never since BSC was finally nationalised in 1967 feared fair competition with them. In fact we have consistently made a profit and they a loss!! Since 1967 my company has done all in its power to support the efforts of BSC to put its house in order, but I do not like what they now appear to be doing.

ESC's policy now is becoming apparent and if it receives your support will kill the Private Sector and lose a lot more taxpayers' money.

At Corby money has been spent to produce tube BSC has never before produced and at a time when the private sector, which has always produced this type of tube, has highly efficient plant standing idle because of the low demand for this product.

To get into this market BSC are quoting our customers 20% less than our already rock bottom prices. This is "unfair" practice and if not stopped at once will cost the taxpayer a lot of money and seriously damage the Private Sector.

There are also rumours flying around that BSC would like to encroach on the Private Sector in other directions - bright drawn steel for example - could this be the McGregor plan?

Ductile Steels has no objection to competition from BSC or anybody else if it is fair, but in the case of tube it is certainly unfair and you should ask for a report.

So to sum up if you want a Private Sector:-

- 1.1 Do something about unfair energy costs.
2. Look into the Corby affair.
3. Ensure that the McGregor plan is fair to the Private Sector.

Since time is running out - now is the time for action. If you require any more information or facts concerning "unfair" practices" and the effect it is having on Ductile Steels I will be pleased to give them to you.

Yours sincerely,

16 December 1980

R Scholey Esq
British Steel Corporation
33 Grosvenor Place
LONDON SW1X 7JG

Dear Bob,

Following my conversation with you last Thursday you promised to look into the matter and give me your views last Friday - no phone call - not nice. Monday, 15 December I rang you again - no reply.

So here goes. I can only assume that BSC Corby are now producing and selling light walled welded tube against the private sector companies. This seems an unfortunate time to enter the market to say the least and here are a few of my personal thoughts on the matter.

To the best of my knowledge:

1. BSC has never previously supplied this market.
2. Demand in running at less than 50% of normal - what a time to start!
3. Prices are already cut to ribbons to fight off imports and yet our salesmen tell us BSC are cutting our prices by 20% plus.
4. Tube mills can be bought at two a penny prices. I wonder how much BSC has spent on plant at Corby?

cont/d...

5. Will BSC losses on this venture be financed by the Government?
6. As Gordon Sembrook will confirm to you, the "private" tube makers purchase approximately 1/2 million tonnes per annum of cold reduced and hot rolled sheet, most of which comes from BSC. The big tube manufacturers are TI, Phoenix (part of Senior Eng) and Ductila and there are many smaller ones. Most are highly efficient - can you see any of them continuing to buy from a "new" competitor when similar material is readily available from other sources?
7. Don't you think Sir Keith Joseph may consider this as unfair competition or at least an encroachment on the private sector which he has recently (27 Nov) stated he does not want.

I know from the "grapevine" that what I have put to you in this letter is the thinking of the members of the British Welded Steel Tube Manufacturers Association if they have got their facts right and due to your ominous silence I strongly suspect that they have. Some of them are big customers of BSC for other products.

I do not like the threats against BSC from the BWSTMA that I am hearing and I would suggest you ask for a meeting with the powers that be - Alan Deacy of TI; Ted Dobson of Phoenix and our Norman Dukes - Norman is Chairman of the Association and could arrange the meeting here.

Bring Byron with you and stay the night, I would like to show Byron the developments at Ironbridge the next morning (and Joan too), but for God's sake do something about this before things get nasty. All the best

Yours sincerely,

BRITISH STEEL CORPORATION

R. SCHOLEY
DEPUTY CHAIRMAN
D
CHIEF EXECUTIVE

P O BOX 403
33 GROSVENOR PLACE
LONDON SW1X 7JG

01 - 235 1212

19th December, 1980

R. Sidaway, Esq.,
Ductile Steels Limited,
Planetary Road,
Willenhall,
West Midlands WV13 3SW

Dear Sir

I am writing to confirm our telephone conversation of 18th December. I am very much of the opinion that what has happened is a "storm in a teacup".

My information is that the tonnage involved is about 200 tonnes and, if we are in error, it is in respect of the undercutting of prices, and this I have discussed with Mr. G.H. Armitage.

In taking up this issue, I gather that there is a dividing line of above and below 14 gauge. Whereby we have operated primarily in the thicker sizes, over the last few years, we have suffered a significant loss of market share in this area, both from imports and from competition with a number of UK companies who operate primarily in the thinner gauges.

I note your remarks that you believe there is little profit to be gained in this field but, nevertheless, as I said to you we are trying to run our various businesses on the same sort of basis that you, yourself, would do. This exposes us to a dilemma. If we do not operate competitively in the market we are accused of lack of commerciality - whilst, on the other hand, if we try to compete we are accused of only being able to do so because we are subsidised.

Naturally, we would not wish to prejudice our raw material supply situation to independent tubemakers and this, again, has to be part of our balancing act.

Overall, we wish to present a positive front to the success of the UK manufacturing industry, as I am sure you are aware.

Finally, on a personal note, many thanks for your invitation to come and visit you in the New Year. This I will try to fix for an appropriate Friday sometime after the end of January.

With Best Wishes
Rob

30 January 1981

The Rt Hon David Howell, MP
Secretary of State for Energy

Dear Minister,

Thank you for listening to me so carefully yesterday when the members of MIAC visited you for lunch in the House of Commons.

I am enclosing the questions I put to you and the answers I gave to them.

I am sure you realised the extreme urgency as before you left you assured me you would deal with it quickly.

I also told you that I had written to Sir Keith on 23 December pointing out to him the desperate situation (copy enclosed). I have not received an acknowledgement from him and to prove that what I said to you yesterday was correct I am enclosing a cutting from the Birmingham Post which appeared this morning.

This I fear will be the first of many unless something is done by the Government very quickly to prevent the total collapse of the Private Sector.

Yours sincerely,

CONFIDENTIAL

8 January 1981

A Mortimer Esq
British Independent Steel Products Association
5 Cromwell Road
LONDON SW7 2HX

Dear Alec,

Am enclosing copy of a letter I wrote to Bob Scholey - his reply and my letter to Sir Keith Joseph.

They are, of course, sent in strict confidence so please don't use the information even when you meet Bob privately.

I expect all the enclosed bumph will be added to your massive file of information on this sad subject - if you want to use it will you please first have a word with me.

All the very best,

Yours sincerely,

RISPA

The British Independent Steel Producers Association

5 Cromwell Road · London SW7 2HX

Telephone: 01-581 0231

Telegrams: Bispalon London SW7
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AHM/BMW.

13th January, 1981.

R. Sidaway, Esq.,
Ductile Steels Ltd.,
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Willenhall,
W. Midlands, WV13 3SW.

Dear Bill,

Many thanks for your letter of 8th January with enclosures.

In fact, I had heard rumblings regarding your correspondence - more particularly on the tube case - with the Corporation seeking to maintain its 'storm in a teacup approach'. However, as we all know, unless these things are sorted out early there is no knowing how far they will spread until it is too late to stop them.

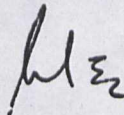
Thanks also for making the point to Keith Joseph about energy charges. Although the Department of Industry appear to be on our side, continual pressure is needed to persuade the Department of Energy to do something to help. - They really are being very wooden and obstructive, but we are continuing to try to drive some knowledge and will to cooperate into their skulls.

I will, of course, come back to you first if I want to use the correspondence.

Hope to see you in the not too distant future.

Kind regards,

Yours sincerely,



R. SIDAWAY

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22 December 1980

The Rt Hon Sir Geoffrey Howe, QC MP
The House of Commons
LONDON SW1A 0AA

Dear Sir Geoffrey,

re Payment of Wages by Credit transfer

I refer you to the correspondence we had way back in October 1979 - copies herewith.

On 13 November 1980 there was yet another wage snatch in this district, but on this occasion the Securicor guard was murdered.

This stirred up the whole matter again and now I am getting full co-operation from other local industrialists, the Banks, the Police and the local newspaper - the Wolverhampton Express & Star - but I can detect little or no support from the Government.

As I understand it the archaic Truck Act states that we must pay "workmen" in "current coin of the realm" although there is an exception to this under "payment of Wages Act". Under that Act a workman may make a written request for his wages to be paid direct into a bank account, but he is entitled by law to reserve the right to cancel that request on 4 weeks notice - that is a useless law in practice.

I cannot see why the Government cannot alter the Law as it stands by stating that the company if it wishes can pay wages to workmen by cheque or credit transfer unless the workman states in writing he wants cash.

cont/d.....



Can't you do something to help to prevent further murders, injuries, police time and waste of money and bring this country into line with other countries in the EEC, USA and Japan?

I hope the possible loss of votes is not holding you back.

Yours sincerely,